
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

ADOPTION OF NEW SHARES ISSUE BY CONVERSION OF THE SURPLUS RESERVE FUND; PROPOSED AMENDMENTS OF MANAGEMENT POLICY OF CONNECTED TRANSACTIONS; AND NOTICE OF THE ANNUAL GENERAL MEETING

The Notice of AGM and a form of proxy for use at the AGM is enclosed with this circular. The Company's register of H Shares members will be closed from Saturday, 31 March 2007 to Monday, 30 April 2007 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders who wish to attend the AGM, must have completed and returned the reply slip in writing to the Board secretariat of the Company – No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC (Tel: (86) 597-3841468, Fax: (86) 592-3969667) twenty days before the convening of the AGM, that is Tuesday, 10 April 2007. With completion and return the reply slip, whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, HK not later than 24 hours before the specified time for the holding of the AGM. The AGM will be convened at 9:00 a.m. on 30 April 2007, Monday, at the conference room on the 1st floor of the Company's office building at No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC.

Warning

Shareholders of H Shares should note that the Shares have been dealt with on an ex-entitlement basis commencing from Thursday, 29 March 2007. The New Shares Issue is conditional upon the conditions set out in this circular under heading of "Conditions of the New Shares Issue". Any person dealing in the Shares on an ex-entitlement basis up to such conditions are fulfilled will accordingly bear the risk that the New Shares Issue may not become unconditional and may not proceed. Any person contemplating selling or purchasing Shares during such period who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser. Any person dealing in the Shares should be reminded that the Company's register of H Shares members was closed on 24 February 2007 and will be opened on 26 March 2007 for an extraordinary general meeting on 26 March 2007.

* For identification purpose only

CONTENT

| | <i>Pages</i> |
|-----------------------------------------------------------------------------------------------------|--------------|
| Definitions | 1 |
| Expected Timetable | 3 |
| Letter from the Board of Directors | |
| 1. Introduction | 4 |
| 2. Adoption of New Shares Issue By Conversion of the Surplus Reserve Fund . . . | 5 |
| 3. Annual General Meeting | 6 |
| 4. Warning of Risks of Dealings in Shares. | 6 |
| 5. Responsibility Statement | 6 |
| 6. Trade in Other Stock Exchange | 7 |
| 7. Recommendation | 7 |
| 8. Proposed Amendments of the Management Policy of Connected Transactions | 7 |
| 9. Miscellaneous | 8 |
| Appendix 1: Proposed amendments of the Management Policy of Connected Transactions | 9 |
| Notice of 2006 Annual General Meeting | 16 |

DEFINITIONS

In this circular, unless otherwise indicated in the context, the following expressions have the meaning set out below:

| | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “A Share(s)” | Ordinary domestic shares of the Company, with a nominal value of RMB1.00 or RMB0.10 each, to be issued by the Company pursuant to the Proposed A Share Issue |
| “AGM” | the annual general meeting of the Company to be convened at 9:00 a.m. on 30 April 2007, Monday, at the conference room on the 1st floor of the Company’s office building at No. 1 Zijin Road, Shanghang County, Fujian Province, The PRC |
| “Annual Report 2006” | the annual report of the Company for the year ended 31 December 2006, to be sent out to the Shareholders on or before 5 April 2007 in accordance with the Listing Rules |
| “Board” | the board of Directors |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Company” | Zijin Mining Group Co., Ltd.*, a joint stock limited company incorporated in the PRC with limited liability |
| “CSRC” | 中國證券監督管理委員會 (China Securities Regulatory Commission) |
| “Director(s)” | the director(s) of the Company |
| “Dividends” | Subject to the AGM’s approval, the company will distribute RMB0.09 per share as final dividend for year 2006 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “H Shares” | the Company’s 3,204,352,000 shares RMB0.1 each listed and allowed to trade in the Stock Exchange |

* For identification purpose only

DEFINITIONS

| | |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Latest Practicable Date” | 14 March 2007, being the latest practicable date before the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “New Shares Issue” | subject to the AGM’s approval, the Company will issue additional 2.5 new ordinary shares to every 10 ordinary shares on the basis of 10,513,047,280 shares in issue at the end of 2006 which will be distributed on or before 15 May 2007 to the shareholder(s) who are in the members register by 30 April 2007 |
| “New H Shares” | subject to the AGM’s approval, the New shares will be distributed on or before 15 May 2007 to the H Shares holders who are in the members register by 30 April 2007 |
| “PRC” | The People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau SAR and Taiwan |
| “Proposed A Share Issue” | The proposed issue of a maximum of 150,000,000 A Shares of RMB1.00 each or 1,500,000,000 A Shares of RMB0.10 each to the PRC public, and the proposed listing of the A Shares on the Shanghai Stock Exchange |
| “Relevant Authorities” | CSRC and such other PRC authorities having power to regulate, among other things, the Proposed A Share Issue |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Shares” | share(s) of RMB0.1 each in the share capital of the Company |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “%” | per cent |

Note: For the purpose of this circular, unless otherwise specified, amounts denominated in Renminbi have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of HK\$1.00 = RMB1.00.

EXPECTED TIMETABLE

2007 (Note)

| | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Last day of dealings in Shares on a cum-entitlement basis | Wednesday, 28 March |
| First day of dealings in Shares on an ex-entitlement basis | Thursday, 29 March |
| Latest time for lodging transfer of Shares for Entitlement to the New Shares Issue and Dividends | 4:30 p.m. on Friday, 30 March |
| Book closure period (both days inclusive) | Saturday 31 March to Monday, 30 April |
| Record Date | Monday, 30 April |
| Register of Members re-opens | Wednesday, 2 May |
| AGM. | Monday, 30 April |
| Announcement on results of AGM | Wednesday, 2 May |
| Dispatch of New Share certificates and Dividends cheques | Tuesday, 15 May |
| Dealings in New H Shares expected to commence | Thursday, 17 May |

Note: All times refer to Hong Kong local times.

Dates or deadlines specified in this circular for events in the timetable for (or otherwise in relation to) the New Shares Issue and Dividends distribution are indicative only and may be exercised or varied by the agreement between the Company and the listing committee of Stock Exchange. Any consequential changes to the expected timetable will be published by way of public announcement.

LETTER FROM THE BOARD OF DIRECTORS



Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

Executive Directors:

Chen Jinghe *(the Chairman)*

Liu Xiaochu

Luo Yingnan

Lan Fusheng

Huang Xiaodong

Zou Laichang

*Registered Office and Principal Place
of Business:*

No.1 Zijin Road

Shanghang County

Fujian Province

the PRC

Place of business in Hong Kong:

Suite 1608, West Tower

Shun Tak Centre

168-200 Connaught Road

Central

Hong Kong

Non-executive Director:

Ke Xiping

Independent Non-executive Directors:

Chen Yuchuan

Su Congfu

Lin Yongjing

Loong Ping Kwan

16 March 2007

To the Shareholders

Dear Sir/Madam,

**ADOPTION OF NEW SHARES ISSUE BY CONVERSION
OF THE SURPLUS RESERVE FUND;
PROPOSED AMENDMENTS OF MANAGEMENT POLICY
OF CONNECTED TRANSACTIONS;
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you information regarding the proposal for the adoption of New Shares Issue to enable you to make a decision on whether to vote for or against the resolutions in connection with such matters to be proposed in the AGM.

** For identification purpose only*

LETTER FROM THE BOARD OF DIRECTORS

2. ADOPTION OF NEW SHARES ISSUE BY CONVERSION OF THE SURPLUS RESERVE FUND

With reference to our results announcement dated on 8 March 2007, a special resolution will be proposed at the AGM to adopt that an amount of RMB262,826,182 in the Company's surplus reserve fund will be converted into 2,628,261,820 shares (H Share: 801,088,000 Shares, Domestic Shares: 1,827,173,820 Shares) of RMB0.1 each and issue 2.5 additional new Ordinary Shares by the conversion of every 10 Ordinary Shares on the basis of 10,513,047,280 shares (H Share: 3,204,352,000 Shares, Domestic Shares: 7,308,695,280 Shares) in issue at the end of 2006 to shareholders and we assume that no new shares will be allotted and issued and no existing shares will be repurchased prior to 30 April 2007. A transfer of RMB262,826,182 from the reserve account to the capital account will be made upon the issue of new shares. Subject to the approval in the AGM, the Company shall issue additional new shares to Shareholders whose names appeared on the register of members of the Company on 30 April 2007. In which, 801,088,000 New H Shares of RMB0.1 each shall be issued to the holders of H Shares.

2.1 Conditions of the New Shares Issue

The New Shares Issue is conditional upon the following:

- (i) the passing of the special resolution to approve the New Shares Issue at the AGM; and
- (ii) in respect of the New H Shares, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New H Shares.

2.2 Ranking of shares

The New Shares, where as to Domestic Shares of the Company shall rank *pari passu* in all respects with the existing Domestic Shares, and where as to H Shares, shall rank *pari passu* in all respects with the existing H Shares.

2.3 Listing and dealings

Application will be made to the listing committee of the Stock Exchange for listing of, and permission to deal in, the New H Shares, on the Stock Exchange. Subject to the granting of approval by the Stock Exchange, the New H Shares shall be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. All necessary arrangement shall be made for the New H Shares to be admitted into CCASS. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Upon the New Share Issue becoming unconditional, it is expected that certificates for the New H Shares will be dispatched by ordinary post to those entitled thereto at their own risk on or before Tuesday, 15 May 2007. The New H Shares will only be listed on the Hong Kong Stock Exchange.

LETTER FROM THE BOARD OF DIRECTORS

Dealings in the New H Shares will be on or before Thursday, 17 May 2007, the Company will make an announcement once the first day of dealing in the New H Shares is determined.

2.4 Reasons for the New Shares Issue

The New Shares Issue is a return to the support of the Company's Shareholders. It can also increase the Company's registered share capital and the circulation of the Shares in the market.

3. ANNUAL GENERAL MEETING

The Notice of AGM and a form of proxy for use at the AGM is enclosed with this circular. The Company's register of H Shares members will be closed from Saturday, 31 March 2007 to Monday, 30 April 2007 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders who wish to attend the AGM, must have completed and returned the reply slip in writing to the Board secretariat of the Company – No.1 Zijin Road, Shanghang County, Fujian Province, The PRC (Tel: (86) 597-3841468, Fax: (86) 592-3969667) twenty days before the convening of the AGM, that is Tuesday, 10 April 2007. With completion and return the reply slip, whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, HK not later than 24 hours before the specified time for the holding of the AGM. The AGM will be convened at 9:00 a.m. on 30 April 2007, Monday, at the conference room on the 1st floor of the Company's office building at No.1 Zijin Road, Shanghang County, Fujian Province, The PRC.

4. WARNING OF RISKS OF DEALINGS IN SHARES

Shareholders of H Shares should note that the Shares have been dealt with on an ex-entitlement basis commencing from Thursday, 29 March 2007. The New Shares Issue is conditional upon the conditions set out in this circular under heading of "Conditions of the New Shares Issue". Any person dealing in the Shares on an ex-entitlement basis up to such conditions are fulfilled will accordingly bear the risk that the New Shares Issue may not become unconditional and may not proceed. Any person contemplating selling or purchasing Shares during such period who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser. Any person dealing in the Shares should be reminded that the Company's register of H Shares members was closed on 24 February 2007 and will be opened on 26 March 2007 for an extraordinary general meeting on 26 March 2007.

5. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this

LETTER FROM THE BOARD OF DIRECTORS

circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement in this circular misleading.

6. TRADE IN OTHER STOCK EXCHANGE

The Company confirms that no other part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought in any other stock exchange.

7. RECOMMENDATION

The Directors consider that the proposal of adoption of New Shares Issue by conversion of surplus reserve fund is in the best interest to the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

8. PROPOSED AMENDMENTS OF THE MANAGEMENT POLICY OF CONNECTED TRANSACTIONS

With reference to the Company's circular dated on 8 February 2007 regarding the Proposed A Share Issue, the Company further proposed to amend and streamline the management policy of connected transactions for the purpose of complying with the relevant laws, rules and regulations and the requirement of CSRC. The Articles of Association shall prevail over the management policy of connected transactions in the case of any inconsistency.

As advised by the PRC lawyers of the Company, the proposed adoption of the proposed amendments of the management policy of connected transactions in substitution and to the exclusion of the existing management policies fulfills the requirements of PRC laws, rules and regulations, and does not affect the rights of the class Shareholders.

Details of the proposed amendments of the management policy of connected transactions have been set out in Appendix 1 of this circular. In summary, the management policy of connected transactions sets out the definitions of connected parties and connected transactions, how the consideration of the connected transactions shall be determined, the approval procedures and disclosure requirements of the connected transactions, and the circumstances under which certain abstention measures shall be adopted. In addition to the management policy of connected transactions, the Company will continue to comply with the Listing Rules regarding the connected transactions.

Please note that the proposed amendments of the management policy of connected transactions are subject to the approval of the Shareholders by way of ordinary resolution at the AGM, and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities.

LETTER FROM THE BOARD OF DIRECTORS

The proposed management policy of connected transactions as contained in Appendix 1 to this circular are formulated in Chinese and translated into English for incorporation in this circular for information purposes only, and the Chinese language version shall generally prevail over the English language version for the purpose of interpretation.

The Proposed A Share Issue may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

9. MISCELLANEOUS

Save for Appendix 1, should there be discrepancy, the English text of this circular shall prevail over its Chinese text.

By order of the Board
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

* *For identification purpose only*

ZIJIN MINING GROUP CO., LTD.**ADMINISTRATIVE MEASURES OF CONNECTED TRANSACTIONS****CHAPTER 1 GENERAL RULES**

Article 1 To enhance the management of connected transactions of Zijin Mining Group Co., Ltd. (hereinafter referred to as the “Company”), and to clearly define management duties and the allocation thereof, and to protect the legitimate interests of the shareholders and creditors, and in particular, the small and medium investors of the Company, and to ensure that the connected transactions, to be entered into between the Company and the connected parties are in line with the principle of fairness, openness and impartiality, these administrative measures are formulated in accordance with the “Company Law of the PRC”, the “Securities Law of the PRC” and relevant regulations such as the listing rules of the stock exchange on which the shares of the Company are listed, as well as the Articles of Association of the Company.

Article 2 The formulation, amendment, termination and performance of the connected transaction contracts will be governed under corporate governance of the Company, and shall be dealt with stringently under the relevant regulations of the country and the relevant administrative measures.

CHAPTER 2 CONNECTED PARTIES AND CONNECTED RELATIONS

Article 3 The connected persons of the Company include connected legal persons and connected natural persons.

Article 4 Any of the following legal persons shall be regarded as connected legal persons of the Company:

- (1) legal persons who have direct or indirect control over the Company;
- (2) legal persons who are directly or indirectly controlled by the legal persons as mentioned in sub-paragraph (1) above, excluding the Company and its subsidiaries;
- (3) legal persons who are directly or indirectly controlled by the connected natural persons of the Company as listed in Article 6, or whose directors, senior management are connected natural persons, excluding the Company and its subsidiaries;
- (4) legal persons holding more than 5% of the shares of the Company;
- (5) the other legal persons who may obtain beneficial interests from the Company due to their special relations with the Company, as identified and confirmed by the CSRC, the stock exchanges on which the shares of the Company are listed and the Company based on substance rather than form.

Article 5 The Company and the legal persons as listed in sub-paragraph (2) in the previous article shall not be deemed to have connected relations if they are controlled by the same state-owned asset administrative institution, save for such legal persons whose president, general manager or majority of directors are also the directors, supervisors or senior management of the Company.

Article 6 Any of the following natural persons shall be regarded as connected natural persons of the Company:

- (1) natural persons directly or indirectly holding more than 5% of the shares in the Company;
- (2) the directors, supervisors and senior management of the Company;
- (3) the directors, supervisors and senior management of the legal persons as specified in sub-paragraph (1) of Article 4;
- (4) family members who have close relations with the persons as specified in sub-paragraphs (1) and (2) of this article, including their spouses; children aged over 18 and their spouses; parents and parents of their spouses; siblings and their spouses; siblings of their spouses and parents of their childrens' spouses;
- (5) other natural persons who may obtain beneficial interests from the Company due to their special relations with the Company, as identified and confirmed by the CSRC, the stock exchanges on which the shares of the Company are listed and the Company based on substance rather than form.

Article 7 Any of the following legal persons or natural persons shall be regarded as connected persons of the Company:

- (1) legal persons or natural persons who have entered into agreements or arrangements with the Company or its connected persons, and who, upon effecting the agreements or the arrangements provided therein, or within the forthcoming twelve months, will become such legal persons or natural persons as described in Article 4 or Article 6;
- (2) legal persons or natural persons who used to be those as described in Article 4 or Article 6 in the previous twelve months.

Article 8 The other legal persons or natural persons who are defined as connected parties under Chapter 14A of the listing rules of the Hong Kong Stock Exchange.

CHAPTER 3 CONNECTED TRANSACTIONS

Article 9 Connected transactions of the Company refer to the transfer of resources or obligations entered into between the Company, its subsidiaries and its connected parties, whether with or without consideration, for the following matters, including but not limited to:

- (1) the purchase or disposal of assets;
- (2) external investments, including entrusted financing, entrusted loans and etc.;

- (3) the provision of financial assistance;
- (4) the provision of security;
- (5) the lease of assets;
- (6) entrusted or trusted asset or business management;
- (7) donating or receiving assets;
- (8) debt restructuring;
- (9) entering into licensing agreement;
- (10) the transfer or receipt of research and development projects;
- (11) the purchase of raw materials, fuel and energy;
- (12) the sale of products and merchandise;
- (13) the provision or receipt of labor forces;
- (14) entrusted or trusted sale;
- (15) joint investment with connected persons;
- (16) such other matters that may lead to the transfer of resources or obligations through negotiation;
- (17) such other matters that are defined as connected transactions under Chapter 14A of The Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited.

Article 10 The connected transactions of the Company shall be conducted in accordance with the following principles:

- (1) the principle of honesty and credibility;
- (2) the principle of fairness, openness and impartiality;
- (3) a connected party shall abstain from voting if it has voting right at the general meeting of the Company;
- (4) a director who has interest in the connected party shall abstain from voting on the resolution in relation to the connected transaction at the board meeting;
- (5) the board of directors shall evaluate if the connected transactions are in the interest of the Company on an objective basis, and shall appoint a professional valuation firm or independent financial advisor, if necessary.

CHAPTER 4 PRICE DETERMINATION OF CONNECTED TRANSACTIONS

Article 11 The price of the connected transactions of the Company means the trading price for the provision of products or labor forces of the connected transactions entered into between the Company and the connected parties involved.

Article 12 The principle and method of determining the pricing of the connected transactions of the Company include:

- (1) the price for the provision of products or labor forces by either party shall be determined in accordance with market conditions on a fair and reasonable basis, and no party shall leverage on its advantages or monopoly status to force the other party to accept unreasonable conditions;
- (2) national pricing standards (if any) shall be followed;
- (3) the price shall be determined in accordance with the market rate (if any) in the absence of national pricing standards;
- (4) the price shall be determined on normal commercial terms in the absence of both pricing methods mentioned above, and the amount of fees charged by any party in respect of the provision of products or labor forces shall not in any event be higher than that it charges from any third party in respect of the provision of the same;
- (5) the trading price so determined shall be in the interest of all the Shareholders of the Company as a whole.

CHAPTER 5 APPROVAL AND DISCLOSURE OF CONNECTED TRANSACTIONS

Article 13 Connected transaction between the Company and the connected parties with a total amount of less than RMB1,000,000 (of which less than RMB300,000 arises from transaction with connected natural persons) or, in compliance with the five tests of scale as defined under chapters 14 and 14A of The Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited, with less than 0.1% for each of the percentage ratios (other than the profits ratio) shall be determined by the president of the Company and may be exempted from preparing the provisional report and disclosure.

Article 14 Connected transaction between the Company and the connected parties with a total amount of less than RMB10,000,000 or, in compliance with the five tests of scale as defined under chapters 14 and 14A of The Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited, with less than 2.5% for each of the percentage ratios (other than the profits ratio) shall be reviewed and passed by the board of directors and only be implemented upon the performance of the obligation of information disclosure.

Article 15 Where the amount of the connected transaction between the Company and the connected parties exceeds over the approval powers and authorities of the board of directors, the board of directors shall submit such connected transaction to the general meeting of the Company for review and approval. Such connected transaction shall be implemented upon the approval by the general meeting. Where guarantees are to be given by the Company to its connected parties, such guarantees shall be submitted to the general meeting of the Company for review and approval irrespective of its amount.

The Company shall, when convene a general meeting for the review of matters concerning connected transaction, engage a qualified independent financial advisor as recognized by the stock exchange to issue an independent financial advisor report in relation to such transaction for providing its advice on voting to the shareholders.

The independent directors of the Company shall also provide their advices on voting to the shareholders in connection with the compliance of regulations of the connected transaction.

System relating to information disclosure shall be performed in accordance with the listing rules of the two places.

Article 16 Connected transaction entered into between the Company and the connected parties with the same connected parties in connection with the same subject or company with an accumulated amount up to the standard as referred to under articles 13, 14 and 15 hereof within 12 consecutive months shall be decided in accordance with the system as required hereunder.

Article 17 The approval powers and authorities of connected transaction shall be closely monitored by the Company in a strict manner, the stricter disclosure and approval powers and authorities as defined by the listing rules of the two places shall prevail.

CHAPTER 6 ABSTENTION AND DECISION MAKING SYSTEM OF
CONNECTED TRANSACTIONS

Article 18 Agreements entered into between the connected parties of the Company and the Company concerning connected transaction shall adopt the following abstention measures where necessary:

- (1) an individual may only enter into an agreement on behalf of one of the parties;
- (2) connected parties may not, by any means, interfere decision of the Company;
- (3) upon the board of directors of the Company casting its vote on the connected transaction, interested party may not cast its vote under any of the following circumstances:
 1. connected transaction relating to the personal interest of a director;
 2. where a director individually takes his office in a connected company or owns the controlling shareholdings or actual controlling powers thereof, the connected transaction between such connected company and the Company;
 3. the cases shall be withdrawn in accordance with the laws, regulations and the Articles of Association of the Company.
- (4) while the general meeting conducting its review on matters relating to connected transaction, the connected shareholder shall not participate in polling and voting, the number of shares with voting rights on its behalf shall not be counted within the total valid votes. While the general meeting making its resolution on matters relating to connected transaction being deemed as different from the ordinary and special resolutions, it shall be passed by over half of or by two-thirds or above of voting rights held by the shareholders without related connection who attend at the general meeting. Polling on and voting to matters relating to connected transaction shall be counted and scrutinized by two representatives of the shareholders without related connection. Resolution of the general meeting shall fully disclose the voting of shareholders without related connection.

Article 19 A director, who has related connection with the company involved in the connected transaction, shall not exercise his rights of voting on such resolution in the board meeting by himself, nor on behalf of other directors. Such board meeting may be held only when being attended by a majority of directors not involved in the related connection. Resolution made by the board meeting shall be passed by a majority of directors not involved in the related connection. Where the number of directors not involved in the related connection who attend the board meeting is less than 3 persons, such matter shall be submitted to the general meeting for review.

Article 20 The audit committee of the board of directors shall review the implementation of the connected transaction on a regular basis and shall report to the board of directors.

Article 21 The supervisory committee of the Company shall advise on whether or not the consideration of connected transaction is fair and on the implementation of the connected transaction.

Article 22 The following transactions between the Company and the connected parties shall be exempted from complying with the rules set out herein:

- (1) subscription of shares, company bonds or corporate bonds, convertible bonds or other derivatives offer by the other party in the open market;
- (2) receive dividends, bonus dividends or returns subject to the resolution of the general meeting by the other party;
- (3) connected transactions arising from participation in open tender or open auction by any parties;
- (4) other circumstances as stipulated under the laws, regulations and regulatory documents;
- (5) **connected transaction being exempted from the compliance with the requirements in respect of reporting, publishing announcement and approval by independent shareholders as defined under rule 14A.31 of chapter 14A of The Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited.**

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 23 References to “over” or “more than”, “within”, “below” or “less than” as expressed herein shall include the original figure and those to “not enough” or “under”, “other than” shall exclude the original figure.

Article 24 The contents not covered herein shall be implemented in accordance with the relevant laws, regulations, the Articles of Association and The Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited on which the shares of the Company listed. Any conflicts occurring between these measures and the laws and regulations to be promulgated by the state in the future or the Articles of Association being amended by legal procedures, shall be resolved in accordance with the requirements of the relevant laws and regulations of the state and the Articles of Association, and the board of directors of the Company shall prepare its revised draft and submit it to the general meeting for review and approval.

Article 25 These measures shall become effective subject to the approval by the general meeting of the Company and the completion of the A share issue by the Company.

Article 26 The power of interpretation of these measures shall be vested in the board of directors of the Company.

Board of Directors
Zijin Mining Group Co., Ltd.

8 March 2007



Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“AGM”) of Zijin Mining Group Co., Ltd.* (the “Company”) for the year ended 31 December, 2006 will be held at 9:00 a.m. on 30 April, 2007, Monday, at the conference room on the 1st floor of the Company’s office building at No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC to consider, approve and authorise the following businesses:

ORDINARY RESOLUTIONS

1. to consider and approve:
 - 1.1 the Report of the Directors of the Company for 2006;
 - 1.2 the Report of the Supervisory Committee of the Company for 2006;
 - 1.3 the consolidated audited financial statements and the Report of the international auditors of the Company for the year ended 31 December, 2006;
2. to consider and approve the profit distribution proposal of the Company and the relevant declaration and payment of a final dividend for the year ended 31 December, 2006;
3. to consider and approve the remuneration of the Directors and Supervisors for the year ended 31 December 2006;
4. to consider and approve, the reappointment of Ernst & Young Hua Ming and Ernst & Young as the Company’s domestic and international auditors respectively for the year ended 31 December, 2007, and to authorise the Board of Directors to determine their remuneration;
5. to consider, approve and adopt the management policy of connected transactions (“Management Policy of Connected Transactions”) (as set out in Appendix 1 to the Circular) in substitution and to the exclusion of the existing management policy, such Management Policy of Connected Transactions shall take effect conditional upon the listing of A Shares; and to authorize and empower the Board to make further amendments of the Management Policy of Connected Transactions in order to fulfill the listing rules (changes from time to time) of Shanghai Stock Exchange and The Stock Exchange of Hong Kong Ltd.

* For identification purpose only

NOTICE OF 2006 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

6. to consider and approve the proposal regarding issue of new shares by conversion of the surplus reserve funds:

To convert a sum of RMB262,826,182 in the Company's reserve fund into 2,628,261,820 shares of a nominal value of RMB0.1 each. On the basis of the issued share capital of 10,513,047,280 shares as at the end of 2006, shareholders will be offered additional 2.5 ordinary shares for each 10 ordinary shares they hold.

7. to consider and approve various proposals for amendments to certain provisions of the articles of association of the Company but those provisions shall be independent and will not affect the effectiveness of other provisions;

7.1 in view of the transfer regarding domestic shares of the Company in 2006 and upon the approval of the above 6th resolution, there will be a change in the registered capital and share structure of the Company,

7.1.1 to amend the Article 16 of the articles of association of the Company as:

“The current share capital structure of the Company is: 13,141,309,100 ordinary shares of the Company in issue of a nominal value of RMB0.1 per share, inter alia:

Minxi Xinghang State-owned Assets Investment Company Limited holds 4,210,902,120 shares, representing 32.04% of the total number of ordinary shares in issue of the Company,

Xinhuadu Industrial Company Limited holds 1,729,000,000 shares, representing 13.16% of the total number of ordinary shares in issue of the Company,

Xiamen Hengxing Industrial Company Limited holds 475,000,000 shares, representing 3.61% of the total number of ordinary shares in issue of the Company,

Chen Fashu holds 448,601,999 shares, representing 3.41% of the total number of ordinary shares in issue of the Company,

Shanghang County Jinshan Trading Company Limited holds 333,640,000 shares, representing 2.54% of the total number of ordinary shares in issue of the Company,

Ke Xiping holds 325,850,000 shares, representing 2.48% of the total number of ordinary shares in issue of the Company,

NOTICE OF 2006 ANNUAL GENERAL MEETING

Li Rongsheng holds 220,305,000 shares, representing 1.68% of the total number of ordinary shares in issue of the Company,

Hu Yuesheng holds 206,630,000 shares, representing 1.57% of the total number of ordinary shares in issue of the Company,

Deng Ganbin holds 165,500,000 shares, representing 1.26% of the total number of ordinary shares in issue of the Company,

Chen Xiaoqing holds 154,501,000 shares, representing 1.18% of the total number of ordinary shares in issue of the Company,

Xie Fuwen holds 153,000,000 shares, representing 1.16% of the total number of ordinary shares in issue of the Company,

Fujian Gold Group Company Limited holds 150,715,210 shares, representing 1.15% of the total number of ordinary shares in issue of the Company,

Lin Yu holds 132,060,000 shares, representing 1% of the total number of ordinary shares in issue of the Company,

Chen Jinghe holds 114,594,000 shares, representing 0.87% of the total number of ordinary shares in issue of the Company,

Wu Wenxiu holds 97,010,000 shares, representing 0.74% of the total number of ordinary shares in issue of the Company,

He Xixiang holds 88,490,000 shares, representing 0.67% of the total number of ordinary shares in issue of the Company,

Chen Yunlan holds 65,220,000 shares, representing 0.50% of the total number of ordinary shares in issue of the Company,

Fujian Minxi Geologist holds 30,616,770 shares, representing 0.23% of the total number of ordinary shares in issue of the Company,

Chen Zhiyong holds 19,747,951 shares, representing 0.15% of the total number of ordinary shares in issue of the Company,

Liu Xiaochu holds 4,828,350 shares, representing 0.04% of the total number of ordinary shares in issue of the Company,

Ye Lucheng holds 4,828,350 shares, representing 0.04% of the total number of ordinary shares in issue of the Company,

Chen Zhicheng holds 4,828,350 shares, representing 0.04% of the total number of ordinary shares in issue of the Company, and

NOTICE OF 2006 ANNUAL GENERAL MEETING

Shareholders of foreign shares listed overseas holds 4,005,440,000 shares, representing 30.48% of the total number of ordinary shares in issue of the Company.

7.2 to amend the Article 19 of the articles of association of the Company as:

“The registered capital of the Company is RMB1,314,130,910.”

8. to consider and authorise the Board of Directors of the Company (among other thing):
- (a) to issue, allot and deal with once or more than once during the Relevant Period (as defined below) additional Shares, whether Domestic Shares or H Shares, which shall not exceed 20 per cent of the aggregate nominal amount of Domestic Shares or H Shares of the Company in issue as of the date of passing this Resolution, subject to obtaining approval from any government and/or regulatory authorities in accordance with the applicable laws. In the exercise of their power to allot and issue shares, the authority of the Board of Directors shall include (but not limited to):
 - (i) the determination of the number of additional shares to be issued;
 - (ii) the determination of the issue price of additional shares;
 - (iii) the determination of the opening and closing dates for the issue of additional shares;
 - (iv) the determination of the number of additional shares (if any) to be issued to existing shareholders;
 - (v) to grant or give authorization to grant offers, to enter into or give authorization to enter into agreements and to exercise options for the purpose of exercising the said powers;
 - (b) upon the exercise of the powers pursuant to paragraph (a) above, the Board of Directors may during the Relevant Period grant or give authorization to grant offers, to enter into or give authorization to enter into agreements and to exercise or give authorization to exercise options and that the relevant additional Shares relating thereto may only be allotted and issued after the expiry of the Relevant Period; and
 - (c) to amend the Articles of Association, if applicable, subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company Law of the People’s Republic of China (as the same may be amended from time to time) and that all necessary approvals from the relevant PRC government authorities are obtained; and

NOTICE OF 2006 ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the day of the passing of this resolution until whichever is the earlier of:

- (i) twelve months from the date of the passing of this resolution;
- (ii) the conclusion of the next annual general meeting of the Company; and
- (iii) the date on which the mandate granted by this Resolution is revoked or varied by a special resolution of the shareholders in the general meeting; and

9. for the purpose of the above Resolutions No. 6, 7, and 8, to authorise the Board of Directors of the Company:

- (a) to approve, execute and make all such documents, deeds and matters as it may consider necessary in connection therewith;
- (b) to make such amendments to the Articles of Association of the Company as it thinks fit; and
- (c) to make all necessary filings and registrations with the relevant PRC, Hong Kong and/ or other authorities.

10. to consider and approve resolutions (if any) proposed by any shareholder holding 3% or above of the total number of Shares having voting rights at the general meeting.

By order of the Board of Directors
Chen Jinghe
Chairman

Fujian, the PRC, 16 March, 2007

Notes:

- (A) The Company’s register of H Shares members will be closed from Saturday, 31 March, 2007 to Monday, 30 April, 2007 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares of the Company whose names appear on the register of members on Monday, 30 April, 2007 will be entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all transfers must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on Friday, 30 March, 2007.

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF 2006 ANNUAL GENERAL MEETING

- (B) Holders of H Shares and Domestic Shares who intend to attend the AGM must complete and return the reply slip in writing to the Secretariat of the Board of the Company twenty days before the AGM, that is Tuesday, 10 April, 2007.

Details of the Office for the Secretariat of the Board of the Company is as follows:

1 Zijin Road
Shanghang County
Fujian Province
People's Republic of China
Tel: (86) 597 384 1468
Fax: (86) 592 396 9667

- (C) Holders of H Shares who has the right to attend and vote at the AGM are entitled to appoint one or more proxies (whether or not a member) to attend and vote on his behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls. Shareholders who intend to appoint one or more proxies should first read the Company's 2006 annual report.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorization that authorized such signatory shall be notarized.
- (E) To be valid, the form of proxy (and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Company's Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the AGM. The address is: Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (F) Holders of Domestic Shares who has the right to attend and vote at the AGM are entitled to appoint one or more proxies (whether or not a member) to attend and vote on his behalf. Notes (C) and (D) are also applicable for holders of Domestic Shares, but to be valid, the relevant proxy forms or other authorisation documents must be delivered to the Board secretariat of the Company at the address set out in Note (B) above 24 hours before the specified time for the holding of the AGM, its address is set out in Note (B) above.
- (G) If a proxy is appointed to attend the AGM on behalf of a shareholder, the proxy must indicate its identification and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must indicate its own identification and effective document to identify its identity as legal representative. If a legal person shareholder appoints a company other than its legal representative to attend the AGM, such representative must indicate its own identification and the authorisation instrument bearing the company chop of the legal person shareholder and duly authorised by its legal representative.
- (H) The AGM is expected to last for half a day, and shareholders attending the AGM will be responsible for their own travelling and accommodation expenses.
- (I) **The H share register of the Company will be closed from 31 March 2007 (Saturday) to 30 April 2007 (Monday) (both dates inclusive), during which no transfer of shares will be registered. Holders of H Shares whose names appear on the H share register of members of the Company on 30 April 2007 (Monday, being the record date) are entitled to attend the Annual General Meeting of the Company to be convened on 30 April 2007 (Monday) in Shanghang, Fujian and to receive the final dividends and additional ordinary shares to be issued pursuant to the capital conversion scheme.**

* *For identification purpose only*

As at the date of this notice, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Liu Xiaochu, Luo Yingnan, Lan Fusheng, Huang Xiaodong, and Zou Laichang as executive directors, Mr. Ke Xiping as non-executive director, and Messrs. Chen Yuchuan, Su Congfu, Lin Yongjing, and Loong Ping Kwan as independent non-executive directors.